

Club Network's

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HOW TO SET UP AND MAINTAIN A PROFITABLE SALES SYSTEM

by Amanda Bracks-Taylor

Provided as part of your Club Network membership



About the Author



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Amanda has won many awards including Fitness NSW Club Manager of the Year, Fitness NSW Club of the Year (twice), Australian Fitness Network Club of the Year and many Small Business Awards including Champion of Champions Small Business of the Year.

She has also been a consultant, training over 500 clubs in Australia in sales, customer service, marketing and business development and has presented on business panels for the FILEX convention alongside some of the world's leading experts. Amanda is a current board member of Fitness NSW and has previously served on Fitness NSW and Fitness Australia Business Development committees.

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HOW TO SET UP AND MAINTAIN A PROFITABLE SALES SYSTEM

Generating sales involves achieving a balance between a number of factors. You need terrific people to communicate with customers, awesome marketing strategies to generate leads, effective sales processes and regular, practical training. The following essential tools will enable you to set up and maintain a profitable sales system for your fitness facility.

1. A consistent recruitment plan

Recruitment is the foundation of a great sales team – and a concern for most club owners. Where do we find great fitness sales people? Remember that, unlike retail sales, it is a role in which few people have experience. Therefore, most people you appoint, will need extensive training as the roles and duties will be new to them. Ironically, the best time to look for good candidates is when you have a full team. This way you can avoid the common problem of hiring out of desperation and take time to interview people with experience in communication or sales. You can continuously recruit when you are out shopping, dining or networking by giving your card to individuals who provide you with outstanding service and asking them to call you if they want to consider a career in the fitness industry. Promoting reception staff or other team members that have been doing a great job is also a very useful recruitment (and staff retention) tactic. When interviewing candidates look out for:

- **Passion** – your sales staff need to feel alive when they wake up in the morning and love the fact that they are helping people by involving them in regular exercise.
- **Happiness** – they need to be happy with who they are, their career and their life.
- **Energy and enthusiasm** – to help members get excited about exercise.
- **Self confidence** – to not take rejection personally.
- **Motivation** – to help members see the benefits of exercising.
- **Empathy** – to listen to and genuinely understand members concerns.
- **Problem solving mentality** – to tackle prospect's objections and provide solutions.
- **Belief** – that exercise truly does help people achieve their goals and dreams.
- **Persistence** – to keep trying and never give up on targets and goals.
- **Competitiveness** – to always better last week's sales performance and to have the drive to be the best in the team.

2. A staff incentive plan

Sales people need to be rewarded with incentives. Ensure your sales team has a performance structure that encourages it to sell the memberships that best suit your club. If you want to sell direct debit 12-month memberships, then make the commission for selling it

higher than other rewards, and have a minimum number of memberships that need to be sold before commission takes effect. Without such an incentive program, you will be inhibiting your own growth. Inspire staff in every department to encourage members to bring friends and generate referrals by offering commission for generating leads. Reward your staff and they will perform.

3. A year-round prospecting strategy

Waiting for potential members to walk through the door is a thing of the past. To meet weekly and monthly sales targets most clubs need to generate their own leads. There are three key issues to determine before you start prospecting;

1. How many sales do you require each week?
2. How many leads do you need to sell the required memberships?
3. What lead generation campaigns do you need to run to ensure the minimum number of leads are secured each week?

There are many opportunities in a health club that are not utilised to their full potential. Sales people can generate their own leads in a number of ways.

A) Renewals – if your club does not have roll-over contracts, ensure a sales person calls each member whose paid-in-advance or direct debit membership is due to expire. They should mail these members at least four to six weeks before the renewal date and then follow up with a phone call one week later. Your most experienced sales person, or one who knows the members well, should do this; if they already have rapport with the member they will find it easier to obtain a renewal. If the member does not renew, send a follow up letter expressing your disappointment and include a 7-day offer to try and entice them back

B) Referrals – you can do a number of things here. Have a 'mates rates' offer which allows members' friends to receive the same membership rate that they do, or have a 'Free Friday' where on the last Friday of every month members can bring their friends to train for free. It is also critical to ensure a good referral strategy is in place at point of sale (see point 6 on page 6).

C) Database – you should have a list of expired members and previously unsuccessful leads in your computer system. If you don't, start recording this information; within six months you'll have 1,000 people to contact and market to. Hold a promotion for these prospects every month. The most immediately effective way to make a handful of appointments for a quiet day is by telephone. If e-mailing or sending letters, ensure your sales staff make a follow up call to check receipt of the communication and to discuss the offer further. If your facility is new or you don't have many non-members on your database, use the phone book or telephone lists to telemarket to people or businesses in your local area,

offering them a 7-day pass to try your new 'mind, body, spirit program' or to attend your forthcoming health expo.

D) Lead boxes – these are excellent because they consistently bring in new people to your club at a very low cost. You can set up as many as you like in the local community to determine how many leads you are generating and can change their location to ensure you are maximising their potential. For each sales person, your facility should have at least eight lead boxes, generating about 40 leads per week between them. These should offer the chance to win a membership (of up to three months) and every lead should receive a 3 to 7-day pass. Maintain regular contact with the managers of the stores where you place your lead boxes and empty them twice weekly. Lead box success comes with monitoring. Weekly tracking of lead boxes ensures that your sales team is motivated by being accountable for generating good numbers, and yearly monitoring highlights the impact of lead boxes. This will maximise the amount of leads, appointments and sales achieved. (see Table 1 below)

4. A killer phone enquiry script

A good incoming phone script gives your staff clear instructions on what to say, how to take control of a conversation and how to book the caller in for an appointment. Training should be given to ensure phone enquiries are easily identified and passed on to the sales team. Do your reception team know that people calling up enquiring whether you have a swimming pool, what time you close, or what class you have on at 5:30pm might be potential prospects? Ensure these enquiries are passed to the sales team, who have a good script to help them confidently convert enquiries into appointments.

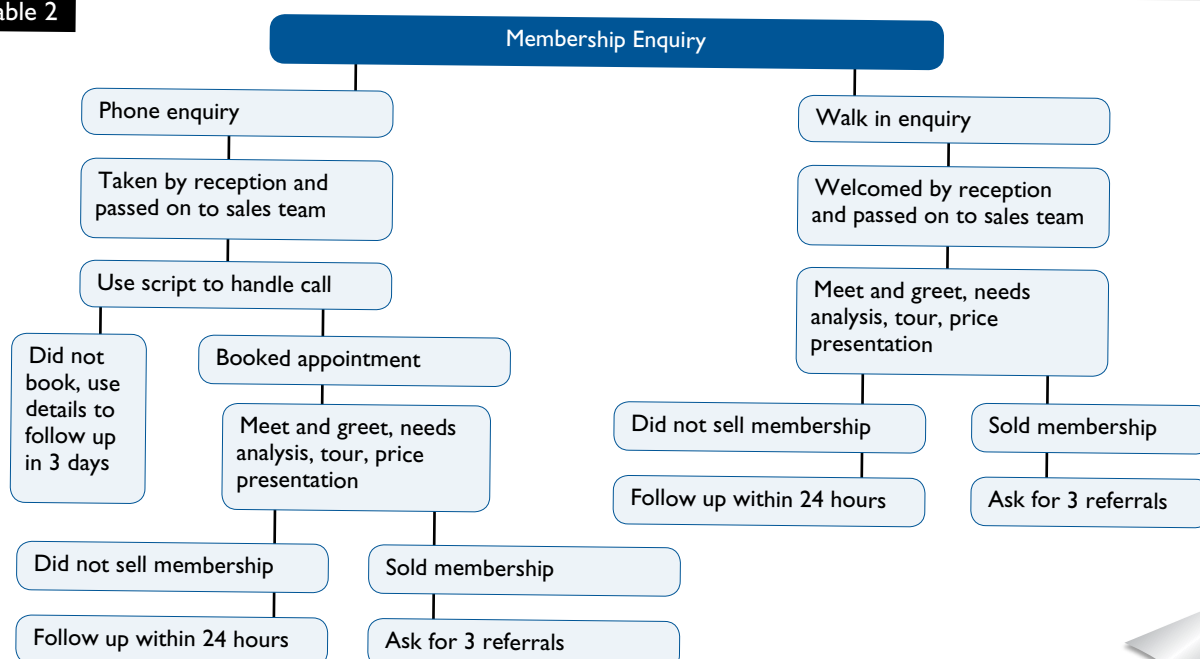
5. A clear sales process

A sales manual or process is essential to your staff's success. The sales process needs to be very clear and continual monitoring of each stage needs to occur. Table 2 below shows a basic sales system. In each stage there should be specific instructions on how to perform each task, the purpose of the task and the required outcome.

Table 1

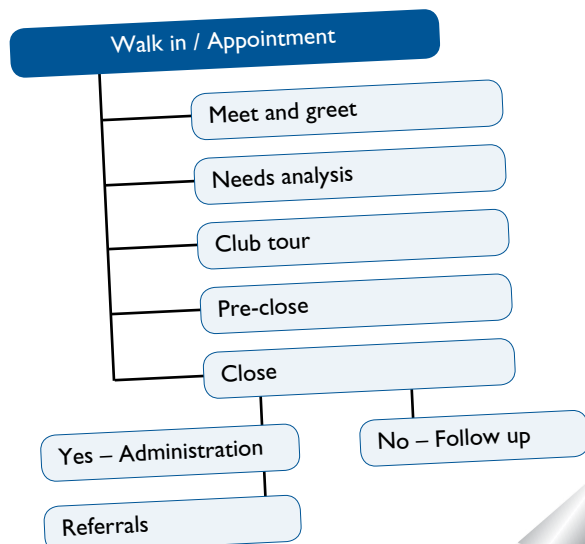
Monthly lead box collection										
	Week 1		2		3		4		5	
	Boxes	Leads	Boxes	Leads	Boxes	Leads	Boxes	Leads	Boxes	Leads
Tom	8	40	8	45	8	46	8	50		
Stacey	4	25	5	20	7	36	7	40		
Claire	6	20	7	36	7	38	7	38		
Total	18	85	20	101	22	120	22	128		

Table 2



Although the following sales process is frequently used in clubs around the world, it is seldom used well. Most sales people rush through each stage without understanding the importance of what each stage brings. Ensure your team members know why they are performing each stage of the sales process and role play and train them consistently on each section to ensure they are improving their skills and becoming more confident and familiar with the process. (see Table 3 below)

Table 3



Meet and greet

This is the beginning of the rapport building stage when first impressions count, so turn on the charm and don't be shy. Welcome your prospect to the club and let them know what is going to happen. *'Hi Barry, I'm Amanda. What we are going to do is to spend a few minutes running through your exercise questionnaire to find out a little bit about what you've done in the past and what you want to achieve now. Then I'll take you for a tour of the facilities and we'll then go over a couple of membership options for you to choose from. How does that sound?'* This introduction will help the prospect relax, you'll go through the processes you need completed (e.g. filling out the guest register) and you'll gain their trust through the needs analysis.

Needs analysis

Go through your guest register, asking the potential member about their past exercise experience, what has prevented them from joining your facility sooner, what they want to achieve now, why and when by, and other information that will help you understand exactly what brought them into your club. At this stage avoid talking about the club or attempting to solve their concerns; it is their time to talk and your turn to listen. This will help you build rapport.

Club tour

After discussing the prospect's concerns and challenges, take them on a tour of the club and start explaining the solutions your club provides to their problems. The tour must be solution-based and not detract from the prospects

needs by dwelling on irrelevant features. Get the prospect to interact and consistently involve them in what you are talking about. By showing them how the club facilities can help them, you will have sold the club to them before you have asked for the money; *'Molly, here are the treadmills that you will be using to increase your metabolism and heart rate which will help you get rid of the five kilos you want to lose by summer. Our club doesn't have any time limits on our treadmills which means the fitter you become, the longer you can stay working out on the treadmills and the greater results you will get. You mentioned you like motivating music and our cardio theatre allows you to plug in your headphones and listen to the radio or watch the television to help the time pass. Do you think that will help you to stay motivated?'* Tie in the features of the club to suit the customer and what they want to achieve.

Pre-close

The pre-close involves asking questions along the way that encourage the prospect to say 'yes'. It is also a way to confirm they are happy with what you are discussing, rather than you finding out during the price presentation. Some pre-close questions you can ask on the tour are; *'Can you see yourself exercising at this club?', 'From what I've shown you so far do you think you will be able to lose your 15 kilos by summer here?' or 'Are there some classes on the timetable that suit your schedule?'*

Close

At this stage money should be your sole topic of discussion, so ensure all the information you want to give the customer has been imparted in the tour section and that you have pre-closed along the way to confirm the prospect is happy and you have approval to give a price presentation. Remember: most sales people fail through the whole sale process because they don't ask for the money.

Michael Le Boeuf in his book *How to Win Customers and Keep Them for Life* states that you need to be persistent when it comes to selling. This is because:

'44% (of sales people) give up after one 'no.'

22% give up after two 'no's.'

14% give up after three 'no's.'

12% give up after four 'no's.'

Sixty per cent of people say 'no' four times before they say 'yes' and based on the statistics shown above, eight per cent of sales people are getting sixty per cent of sales.

Your price presentation should involve a two option close; *'Our two most popular memberships are the Results membership or the Lifestyle membership. Which one suits you best?'* Never ask someone a question that they can give a 'yes' or 'no' answer to in the close; ask them to make a choice, rather than to decide if they are going to do it or not, which is very confronting. Stay silent after asking; the person who speaks first buys the sale - you speak first and the sale is lost! You have asked the prospect a question, give them time to answer.

If your prospect responds with a statement, question or objection, look at this as a buying sign as they have opened up the communication lines for the sale. Listen and ascertain exactly what it is that is preventing the prospect from joining and then provide a solution to their concern. Take your time with objections, remain positive and stay

focused on helping the individual achieve his original goals which were previously discussed in the needs analysis.

Administration

Congratulations! You have made the sale, now get the paperwork completed. After establishing the choice of membership type, determine the payment method; credit card or cash? Direct debit or upfront? Keep the paperwork simple and fill it in for the new member. Get the details right to avoid bad customer service later on; debit details, first debit date and contract details must all be filled in correctly. When processing the initial payment, stand on the counter side the customer is on and give the forms and money to the receptionist to ring up where possible.

6. Referral generating activities

As the sale concludes you have the opportunity to generate referrals to begin the prospecting circle again. New members are excited about their new club and will not want to feel alone, so it is a perfect time to ask them to invite their friends to come and train with them as discussed in point 3. To each new member say; *'As a new member you are entitled to receive four guest passes to bring in your friends for a work out. Who from work or home would like to receive one of these passes?'* Make sure you get names and numbers of their friends on a form (see sample 'Referral Generation Form' below), rather than handing out blank passes which risk going unused. Ask the new member to let their friends know you'll be calling them to arrange their first visit and do this within three days.

Sample Referral Generation Form

Vital Health Club New Member Privilege

Congratulations on beginning your health and exercise program with us at Vital Health Club. We would like to welcome you to the club and extend to you our new member privileges.

Many of our members have expressed that they would like to introduce their family and friends to the club when they first join. We have arranged for you to be able to do this by offering you four 7 day memberships, only available to the family and friends of new members. Enjoy the opportunity and invite your friends in during your first few weeks and enjoy exercising together!

Member Guest 7 Day Membership	Value \$140*
Date of Nomination	
Name	
Phone No	
Guest of	
Start Date	
Expiry Date	
Consultant	

*Some conditions may apply. Seven days is consecutive, not redeemable for cash.

Vital Health Club
358 Pennant Hills Road, Pennant Hills 2120

7. A Follow up strategy

Ensure you have a process that allows you to follow up all prospects who do not join during their appointment. Motivation can be quickly lost after walking out of a club, so ensure all prospects are called within 24 hours of their visit. A powerful way to ensure an effective follow up is to discuss it with the prospect during the appointment; *'OK John, I understand that you want to look around at other clubs today. I'll give you a buzz tomorrow to see if you have made a decision. What time will suit you best, morning or afternoon?'* If you speak

with the prospect and they still haven't decided, keep following them up every five days until a decision has been made either way. Use a 1 to 31 folder (a compartmented file conveniently divided into each day of the month), to allow you to easily track what day to call your prospect and to ensure a good follow up system is maintained. If you get a definite 'no', file the guest register details in the computer for future follow up promotions and prospecting.

8. Daily action sheets to keep staff accountable

Keeping on top of what your staff members actually do in a day can be tough. They may have made ten contacts and sold no memberships for the day, but if they put out five new lead boxes and did three corporate presentations then it was still a productive day. Have your team fill out a daily work sheet (see Table 4 next page) and return it to the manager for inspection. This way the staff are clear about what is expected from them for the day and they can continue to improve on their duties and results.

9. Weekly meetings and training

Weekly meetings are the key to analysing how the week and month is going and to iron out any problems or questions the team may have about a current offer or other sales process. Tips for an effective meeting:

- Meetings must be held at the beginning of the week.
- All sales staff are to block out one hour for the meeting.
- Sales staff are to bring their figures with them from the previous week.
- Sales staff are to write any topics or questions on the agenda before the meeting begins.
- In first half of meeting previous week's minutes should be revised, figures reviewed and new business discussed. The second half should be a training session (manager can take the session based on the daily work sheet feedback or issues arising from the meeting. Other sales staff might be given a topic to research and give a presentation on).
- End the meeting on a positive note by motivating the team.
- A white board is extremely useful to get your staff to role play on during meetings.

10. Mystery shopping

Implementing these key elements takes a lot of effort and consistently motivating your sales team to perform can be very stressful. By having regular mystery shoppers you can give feedback to your team and ensure the systems you have implemented are being carried out. You can ask a friend or hire a company to perform your mystery shopping, or you could call a past lead that declined to join and offer them a two month membership in return for feedback on all the processes of the club from joining, to appointments with trainers. The 'Phone enquiry mystery call analysis' (see Table 5 next page) can be used by you or a nominated person to ensure all enquiries are being passed on to your sales team and they are in turn following their scripts and turning an incoming call into an appointment. ■

Table 4

Daily sales team summary

Date ____/____/____

Membership advisor: _____

☐ Arrived 5 mins early prepared for a great day	☐ Did 20 minutes reading on sales (books, manuals)
☐ Made minimum 20 contacts _____ total	☐ Have 6-8 appts for next shift _____ total
☐ Obtained 3 referrals _____ total	☐ Have min 8 lead boxes out _____ total
☐ Called new/renewed members after 7 days	☐ Sold 3 memberships today _____ total
☐ Did min 5 presentations today _____ total	☐ Collected lead boxes _____ leads
☐ Totalled my daily work sheets	☐ Sold Personal Training Packs _____ total
☐ Other activities _____	

	Contacts made	Booked appts	Tours today	Sales today
Follow up				
Lead boxes				
Ex members				
Ex leads				
Telemarketing				
Referrals				
Incoming calls				
Walk ins				

Table 5

Phone enquiry mystery call analysis

Date	Time	Staff	Question	Response	Put through to sales	Asked my name	Asked source	Asked for appt	Training needed
Thurs 8/3/07	4:30pm		What classes do you have at 6:30pm?						
Thurs 8/3/07	5:10pm		What's a casual visit?						
Fri 9/3/07	7:15am		How much for a 6 month membership?						
Fri 9/3/07	1:50pm		How much is membership?						
Mon 12/3/07	8:55pm		What are your opening hours?						
Wed 14/3/07	9am		Do you have a swimming pool?						

Club Network Membership

Australian Fitness Network's Club Network membership provides fitness facility owners and managers with all the resources they need to ensure business success. Your Club Network membership provides you with awesome resources including:

- Three publications specifically for fitness industry professionals and club owners/managers (*Network* magazine, *Club Network* and *Manual for Success*)
- Pre-written media releases
- Fitness puzzles and member newsletters for your members
- Retention letters
- Member waiver
- Birthday cards
- Inspirational posters, bookmarks and postcards
- A place to advertise your job vacancies and to find new staff
- Discounts on products and training aids
- And more!

PLUS through the Club Solutions Network, your Club Network membership is your one-stop shop for all the turnkey solutions you need to take your facility to the next level of success. Through the Club Solutions Network program, you receive thousands of dollars worth of massive and exclusive discounts on:

- Print Marketing Solutions, through Active Management (www.activemgmt.com.au)
- Direct Debit and Financial Solutions, through Ezypay (www.ezypay.com.au)
- Footwear, Apparel and Equipment Solutions, through Reebok (www.reebok.com.au)
- Continuing Education Solutions, through Australian Fitness Network (www.fitnessnetwork.com.au)
- Sales and Customer Service Training Solutions, through Impact Training Corporation and the National Sales Academy (www.impact-training.net and www.nationalsalesacademy.com.au)

Visit www.fitnessnetwork.com.au/clubsolutions for details.



This *Manual for Success* is provided as part of your Club Network membership. For more information contact:

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